

UNCLASSIFIED

Iraq

Status Report

June 23, 2010



Bureau of Near Eastern Affairs
U.S. Department of State

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HIGHLIGHTS



- Minister of Electricity Karim Wahid al-Hassan Resigns (*POLITICAL*, page 4)
- ISI Claims Responsibility for Trade Bank of Iraq Bombing (*SECURITY*, page 9)
- Oil Exports Increase for Month of May (*ECONOMIC*, page 12)
- ISCI Head Ammar al-Hakim Visits Syria (*DIPLOMATIC*, page 16)

POLITICAL – Governance & Legislation



Electricity minister resigns amid ongoing government formation discussions

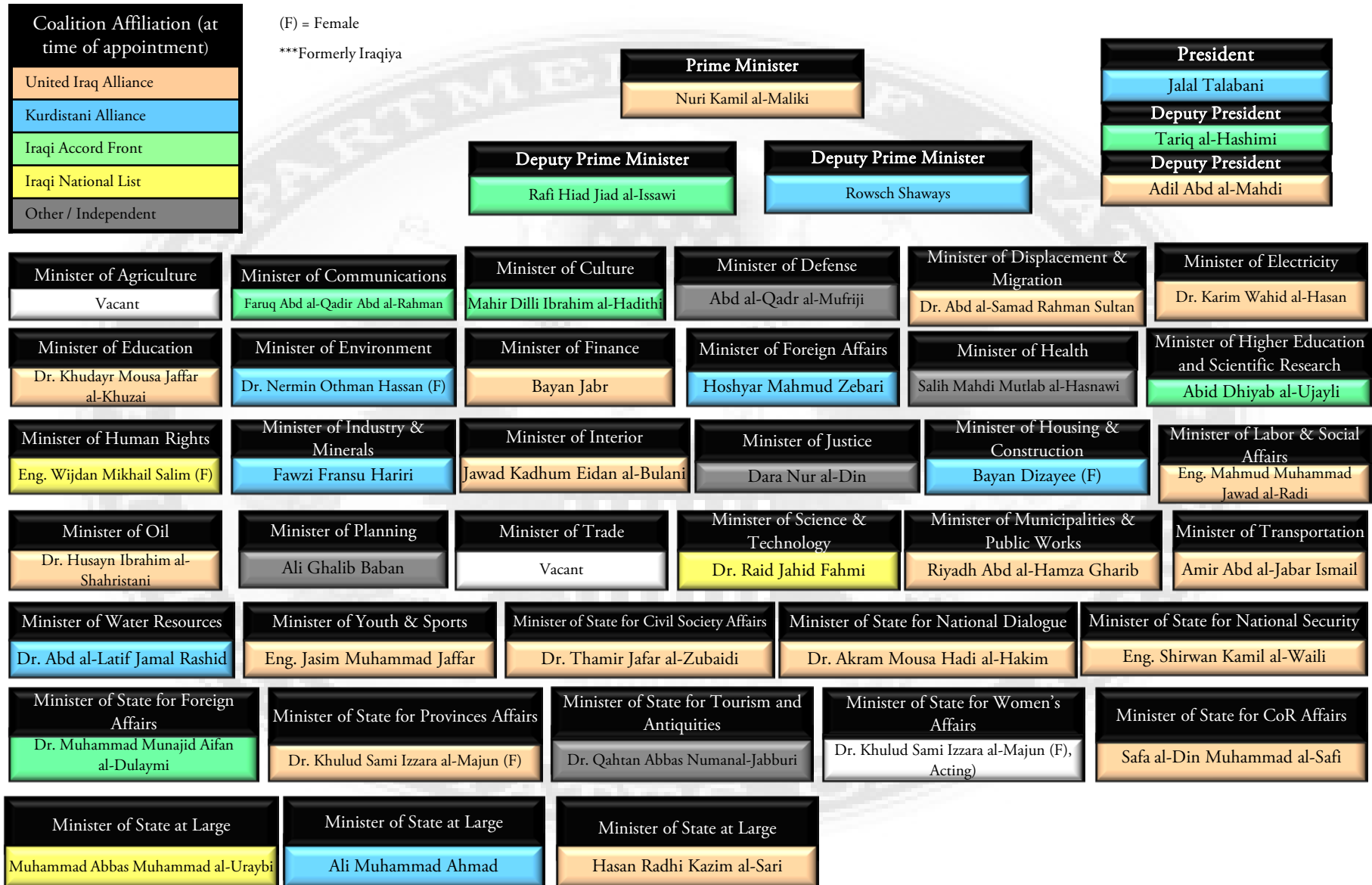
Iraq's Electricity Minister Resigns in Wake of Protests:

- Electricity shortages, combined with the summer heat, led to protests in Basrah and in Nasiriyah. In Basrah, on June 19, protestors began throwing stones and security forces retaliated, leaving two people dead and two wounded. On June 21, hundreds of angry demonstrators pelted stones at riot police guarding the Dhi Qar provincial government headquarters in the city of Nasiriyah. The subsequent altercation left at least fourteen wounded. Minister of Electricity Karim Wahid al-Hassan tendered his resignation on June 21, hours after the demonstrations in Nasiriyah. Iraqi Oil Minister Hussain al-Shahristani was named the acting Minister of Electricity on June 22.

Al-Sistani Threatens Intervention in Government Formation Discussions:

- Grand Ayatollah Ali al-Sistani threatened on June 18 to intervene in prolonged coalition talks if the talks do not produce a new Iraqi government soon. Sistani was not seeking to favor any one political party, but simply wanted to expedite the formation of a new Iraqi government.

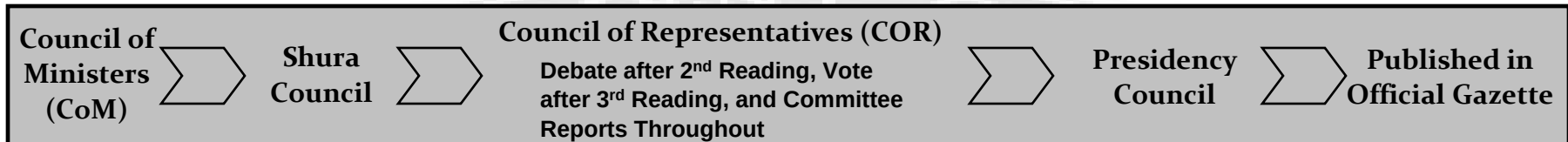
POLITICAL – Government of Iraq



POLITICAL – Key Legislative Issues



Legislative Process



- **Hydrocarbons Package:** The Framework Law was resubmitted to the Oil and Gas Committee on October 26, 2008 and then returned to the Council of Ministers. There has been no progress on the other three laws in the package.
- **NGO Law:** This law, approved March 3, will regulate the operations and funding of Non-Governmental Organizations operating within Iraq.

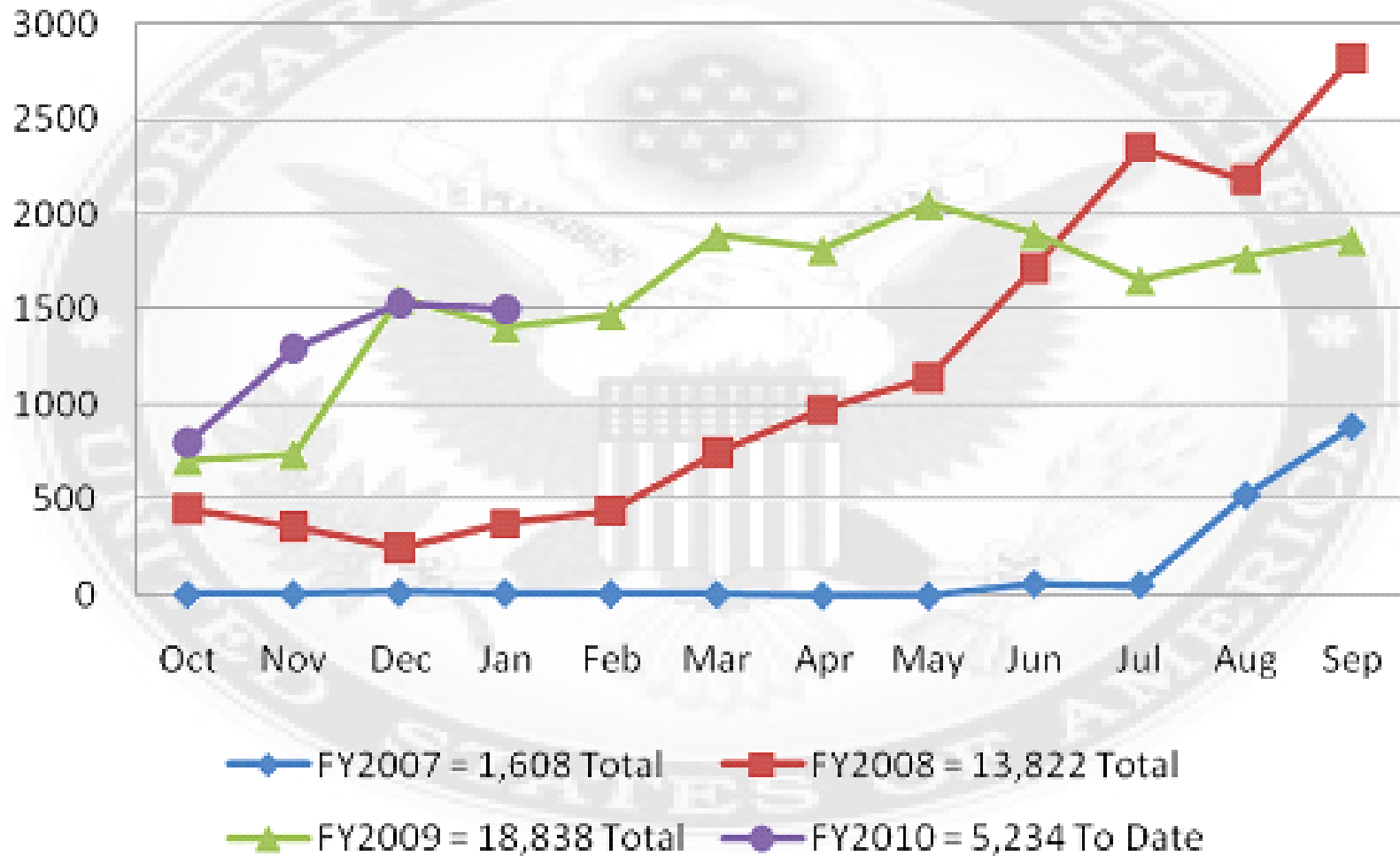
POLITICAL – Refugee Update



- There are almost 229,000 Iraqi refugees currently registered with the UN High Commissioner for Refugees (UNHCR) in neighboring countries and an undetermined number of unregistered refugees. UNHCR reports that 1.5 million Iraqis remain internally displaced due to sectarian violence following the Samarra Mosque bombing of February 2006.
- Since the beginning of 2008, some 464,000 Iraqis have returned to their neighborhoods in Iraq. The majority of the Iraqis returning were internally displaced persons.
- In FY09, the U.S. Government contributed \$387 million to international and nongovernmental organizations to assist Iraqi refugees, internally displaced, and conflict victims.
- Since the program's inception in FY07, 46,581 Iraqi refugees have been admitted to the U.S. for resettlement.
- As of September 2009, a total of 1,143 Special Immigrant Visas (SIVs) have been issued for Iraqis translators and interpreters (and their dependents) since FY07 (under the Section 1059 program).
- As of September 2009, a total of 1,716 SIVs have been issued for Iraqis employed by the U.S. government (and their dependents) since FY08 (under the Section 1244 program).

POLITICAL – Refugee Update

Iraqi Admissions to the U.S.



SECURITY – Situation Update



Militants continue attacks on Iraqi financial institutions

ISI Claims Responsibility for Trade Bank of Iraq Bombing:

- Two suicide bombers killed 26 people and wounded at least 50 more in near simultaneous attacks outside the Trade Bank of Iraq in Baghdad on June 20. According to Baghdad Security Spokesman Major General Qassim al-Moussawi, two cars packed with explosives were driven to the gates of the bank and were then detonated as the cars hit the protective blastwall. The Islamic State of Iraq (ISI) has claimed responsibility for this attack as well as the June 13 attacks on Iraq's Central Bank.

Bombings Target GOI Officials and AQI Critics:

- At least five people were killed and 13 wounded in a series of attacks throughout Iraq. The targets of the attacks were government officials and critics of al-Qaida in Iraq (AQI). The early morning violence started in the largely Sunni neighborhood of Dora in southern Baghdad when a convoy carrying a senior official from the Ministry of Transportation was unsuccessfully targeted with a roadside bomb. Soon after, two leaders of a local Awakening Council in Diyala were killed. And in a third incident, another critic of AQI in Anbar Province, Najim Abid al-Issawi, was killed when a bomb attached to his car detonated in Fallujah. Elsewhere, 18 Iraqi Army soldiers were wounded in separate attacks on a moving patrol and at a gathering near the office of a Shi'a religious party.

SECURITY – Situation Update



Militants continue attacks on Iraqi financial institutions

Bomber Kills 8 at Market in Northern Iraq:

- **Eight people, including six police officers, were killed after a suicide bomber struck a group of people at a market in northern Iraq. A crowd had gathered at the scene of a roadside bomb that went off minutes before when the bomber approached the group and set off his explosives vest. An additional 10 people were injured in the attack.**

ECONOMIC – Oil



Crude Oil Update:

Price averages in world markets closed with the following prices:

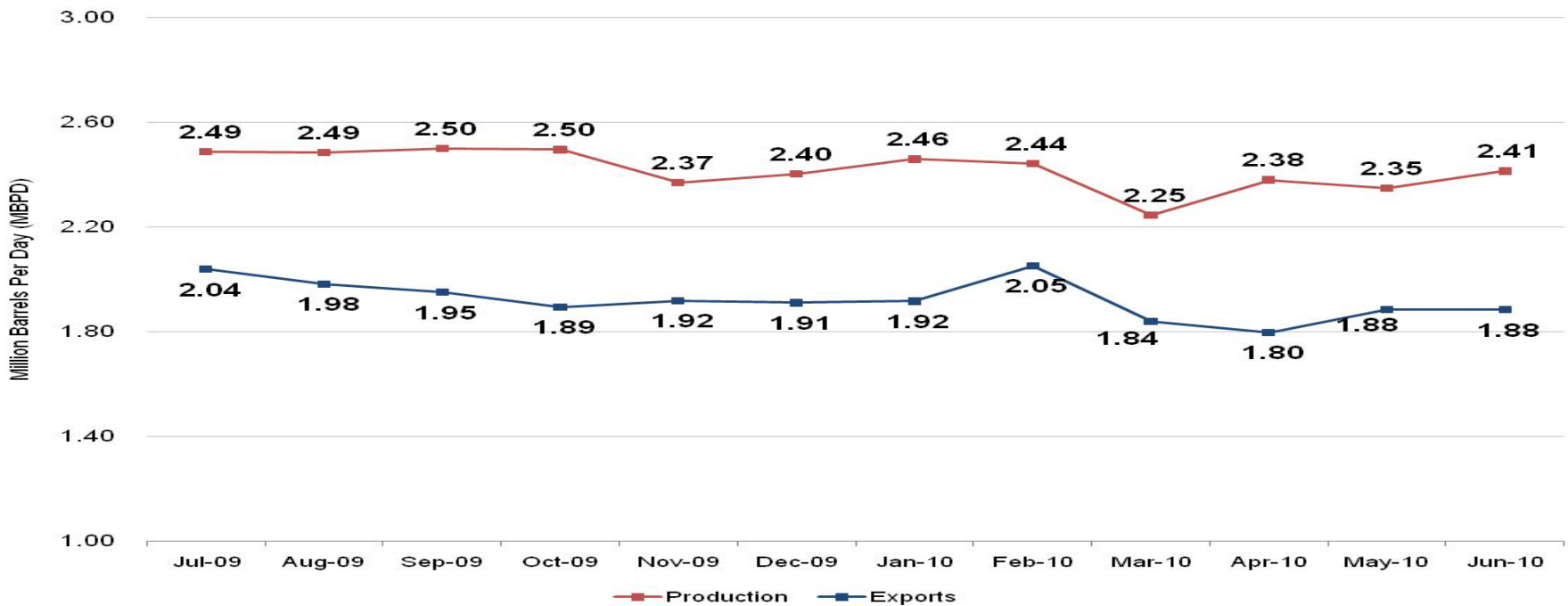
Basrah Light at \$71.74/barrel

Dated Brent at \$76.40/barrel

WTI Cushing at \$76.74/barrel

Oman/Dubai at \$75.42/barrel

Iraq Crude Oil Production and Exports



Note: Y-Axis starting point has been changed from zero to 1.0

Revenue estimates:

2008: \$61.9 Billion

2009: \$39.2 Billion

2010 (ytd): \$23 Billion

ECONOMIC – Oil



Oil exports increase

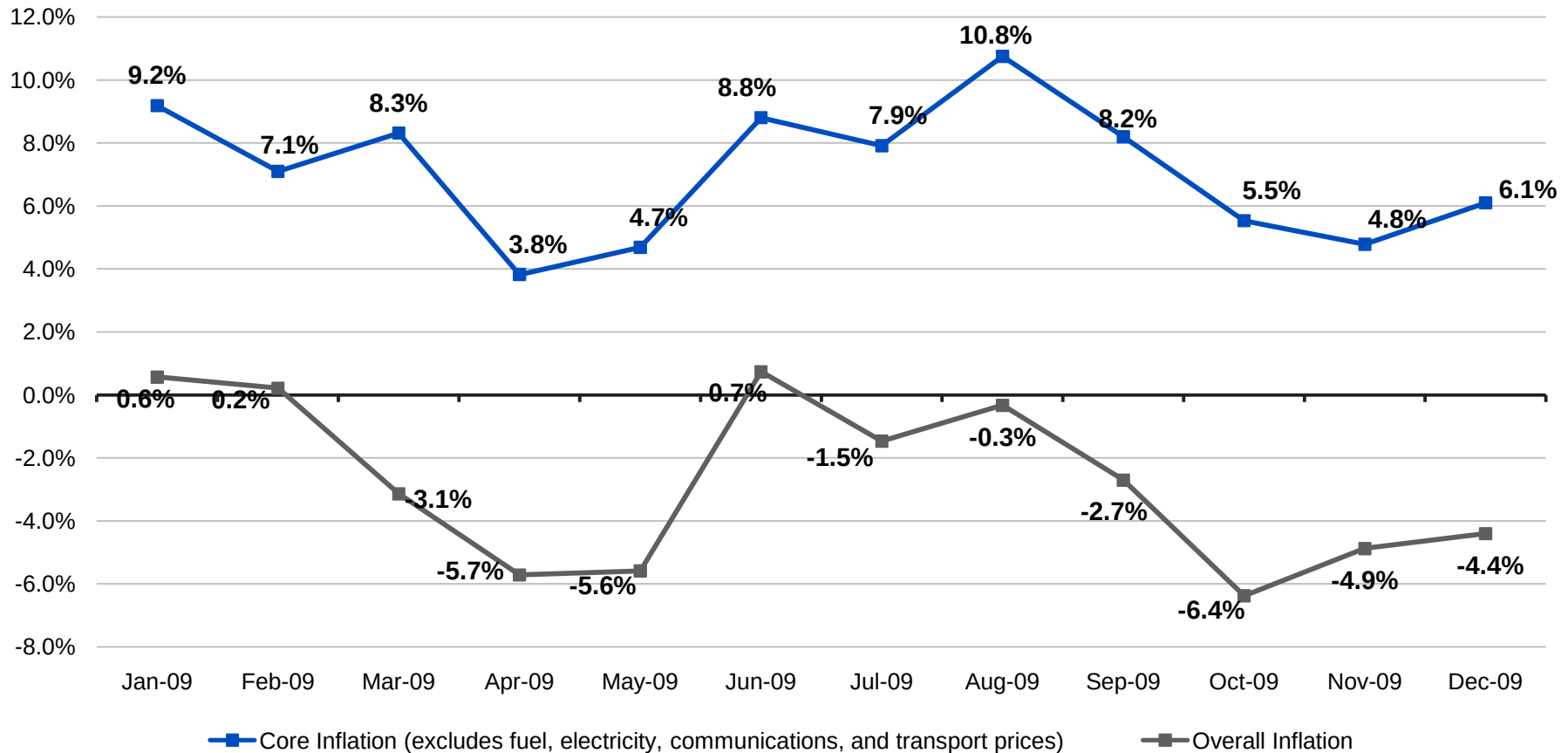
Oil Exports Increase for Month of May:

- The Iraqi Ministry of Oil announced crude oil exports increased for the month of May. Oil exports in May were 58.7 million barrels compared to 53 million barrels in April, while revenue increased from \$4.2 billion to \$4.34 billion despite a drop in oil prices during that period. According to the Ministry of Oil, this is the first monthly increase in oil exports in three months.

ECONOMIC – Fiscal and Monetary Affairs



Year-on-Year Inflation



- In 2010, the Central Bank of Iraq began using a new Consumer Price Index. As a result, year-on-year inflation data for 2010 are unavailable at this time.

ECONOMIC – Fiscal and Monetary Affairs

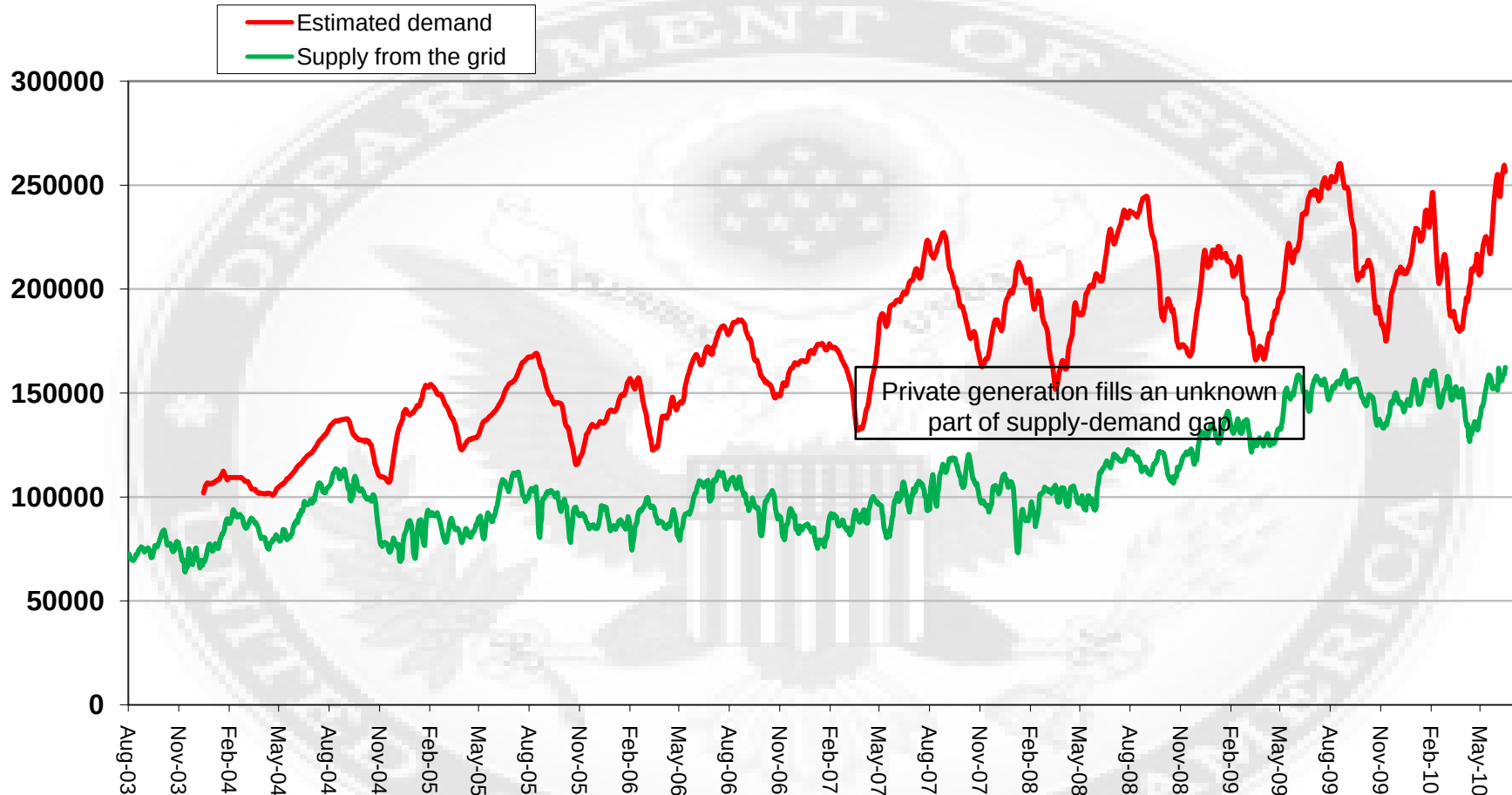


Economic Indicator	This Week	Last Week	Last Month	Last Year
Iraqi Debt Swap Bond Prices and Yields				
Price (USD)	\$82.29	\$82.95	\$81.59	\$64.50
Yield	7.65%	7.57%	7.73%	10.32%

Public Services – Electricity



Daily Electricity Supply from the Grid and Estimated Daily Demand



- Electricity supply from the grid June16-22 was 8% above the same period in 2009 and met 63% of estimated demand, unchanged from the year-earlier period.

DIPLOMATIC – Political Engagement



Iraqi regional engagement continues

ISCI Head Visits Damascus:

- **Ammar al-Hakim, head of the Islamic Supreme Council of Iraq (ISCI), arrived in Damascus for an official visit on June 22. He will meet with President Bashar al-Assad and other senior Syrian officials. Discussions will focus on bilateral ties and recent developments in Iraq.**

Beyond Baghdad



Fish Hatchery Dedication in al-Gharraf

“...we will help Iraq's institutions strengthen their capacity to protect the rule of law, confront corruption, and deliver basic services.”

President Barack Obama

Recent Highlights

Dhi Qar

The Dhi Qar PRT recently initiated two agricultural training projects in partnership with the al-Gharraf Guidance Center. The training center offers a Workshop & Mechanization Center where farmers can rent tractors and agricultural tools and a Fish Hatchery, which will provide local fish stock rather than requiring provincial fish farmers to travel to Baghdad. Jointly funded by the U.S. and Italian governments, the center is run by the provincial Directorate General of Agriculture and the federal Ministry of Agriculture. The Center is enhancing capacity building and agricultural development in the region.

Wasit

In the past two months, more than 25,000 children have received their second round of fluoride treatments through an Iraq Rapid Assistance Program (IRAP)-funded grant program, Project Smile. The program, which has treated children in 71 schools, has been praised by Iraqi officials who hope to expand the treatment throughout the whole district. The program has been so successful that “the Iraqi Ministry of Health is exploring the possibility of replicating the program throughout the rest of the country.”



CONTACT INFORMATION

This brief draws from multiple sources. References are cited on the following pages.

For additional information, please see:

- Department of State, Section 2207 Report on Iraq Relief and Reconstruction
<http://2001-2009.state.gov/p/nea/rls/rpt/>
- Department of State, Section 1227 Report on Iraq
<http://2001-2009.state.gov/p/nea/rls/rpt/>
- Department of Defense, Section 9010 Measuring Stability and Security in Iraq
http://www.defenselink.mil/home/features/Iraq_Reports/index.html

Please forward all questions and/or comments to:

NEA-I-IPOG-DL@state.gov



NOTES AND SOURCE CITATIONS (1 of 2)

Slide 4:

- New York Times, June 21, <http://www.nytimes.com/2010/06/22/world/middleeast/22iraq.html>; Reuters, June 22, <http://af.reuters.com/article/energyOilNews/idAFLDE65L2EV20100622>
- AFP, June 18, http://www.google.com/hostednews/afp/article/ALeqM5iePLyg7kUNzr_pJ4pjInWec_BbKA

Slides 5-8:

- Department of State, NEA Political Section, NEA-I-POL-DL@state.gov

Slide 9:

- Reuters, June 20, <http://www.reuters.com/article/idUSTRE65J0L920100620> and AP, June 23, http://hosted.ap.org/dynamic/stories/M/ML_IRAQ?SITE=MITRA&SECTION=HOME&TEMPLATE=DEFAULT
- AP, June 22, http://hosted.ap.org/dynamic/stories/M/ML_IRAQ?SITE=RIPAW&SECTION=HOME&TEMPLATE=DEFAULT

Slide 10:

- BBC, June 21, http://news.bbc.co.uk/2/hi/world/middle_east/10365817.stm

Slide 11:

- Department of State, NEA/I Economics Section, NEA-I-ECON-DL@state.gov



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Slide 12:

- Bloomberg, June 21, <http://www.businessweek.com/news/2010-06-21/iraq-crude-oil-exports-rise-in-may-first-time-in-three-months.html>

Slide 13:

- Department of State, NEA/I Economics Section, NEA-I-ECON-DL@state.gov

Slide 14:

- Department of State, NEA/I Iraq Policy and Operations Group, NEA-I-IPOG-DL@state.gov

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Slide 16:

- Aswat al-Iraq, June 22, <http://en.aswataliraq.info/?p=133558>

Slide 17:

- Source for Stories: US Embassy Baghdad, Provincial Reconstruction Teams, June 8, 2010, <http://iraq-prt.usembassy.gov/prt-dhiqar-060810b.html>
- LOO Summary, Economic Development; June 11, 2010
- Source for President Obama's Quote: http://www.whitehouse.gov/the_press_office/Remarks-of-President-Barack-Obama-Responsibly-Ending-the-War-in-Iraq/